GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:966
ANSWERED ON:12.08.2013
NH PROJECTS AWAITING FINANCIAL CLOSURE
Sugavanam Shri E.G.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether a number of National Highway projects are awaiting financial closure and incurring time and cost overruns;

(b) if so, the details thereof and the estimated loss as a result thereof;

(c) whether the Government has taken any steps in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI SARVEY SATHYANARAYANA)

(a) and (b) Financial closure has not been achieved in 32 National Highway (NH) projects. There is no time and cost over-run since appointed date has not been declared in these projects.

(c) and (d) The Government is consistently making efforts with the stakeholders and financial institutions to infuse greater fund flow in the highway projects. The Reserve Bank of Indian has given dispensation to treat the debt due to lenders, to the extent assured by project authorities in terms of concession agreement, as secured loan. Disinvestment of 100% equity to other willing buyers have been allowed after completion of the construction and also substitution of concession allowed after achievement of financial close to salvage the languishing projects.